

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

INFORMATION TECHNOLOGY

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's information technology operation is in compliance with the Information Technology MICS.

Gaming Department: _____

Date of Inquiry	Person Interviewed	Position

Manufacturer and Model Type of System in Use	Period in Use

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation and recalculating where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Information Technology, Version 2.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for information technology regarding the gaming department being reviewed been read prior to the completion of this checklist to obtain an understanding of the licensee's information technology procedures for the gaming department being reviewed?				

Verified per representation.
Verified per observation/examination.

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General Controls Note: The standards in this subsection and the following subsection, "User Controls," must be addressed in detail in each applicable section, including the entertainment section, of the written system of internal control.				
2. Are the main computers (i.e., hardware, software and data files) for each gaming application (e.g., keno, race and sports, slots, cashless wagering systems, etc.) and each application for entertainment and Regulation 6A in a secured area with access restricted to authorized persons, including vendors? (1) Verify by observation.				
3. Are gaming and food/beverage personnel precluded from having unrestricted access to the secured computer area? (2)				
4. Are the computer systems, including application software, secured through the use of passwords, biometrics, or other means approved by the Board? (3) Verify by observation.				
5. Do management personnel, or persons independent of the department being controlled, assign and control access to system functions to ensure adequate segregation of duties? (4)				
6. Are adequate backup and recovery procedures in place and, if applicable, do they include:				
a) Daily backup of data files? (5a) Note: This standard only applies if data files have been updated.				
b) Backup of all in-house developed and purchased software programs? (5b) Note: Backup of purchased software is not required if the software can be reinstalled by the vendor.				

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<p>c) Secured storage of all backup data files and software programs, or other adequate protection to prevent the permanent loss of any data? (5c) Verify by observation.</p> <p>Note 1: Backup data files and programs can be stored in a secured manner in another building on the premises that is physically separated from the building where the system's hardware and software are located. They may also be stored in the same building as the hardware/software as long as they are secured in a fireproof safe or some other manner that will ensure the safety of the files and programs in the event of a fire or other disaster. (5c)</p> <p>Note 2: MICS #5(c) does not apply to backup data files for computerized keno systems. (5c)</p>				
<p>d) Maintenance of a written plan outlining procedures for restoring data and program files? (5d) Verify by examination.</p> <p>Note: While not mandatory, licensees are encouraged to test recovery procedures at least annually. (5d)</p>				
<p>e) For data files that are used in place of printed reports, is quarterly testing of backup files performed on a sample basis to ensure that the files are properly maintained? (5e)</p>				
<p>7. Is adequate system documentation maintained, including descriptions of both hardware and software (including version numbers), operator manuals, etc.? (6) Verify by examination.</p>				
User Controls				
<p>8. Are user identification numbers/names and passwords controlled as follows unless otherwise addressed in these standards:</p>				
<p>a) When multiple identification numbers/names per application are used, is only one number active at a time and does the user name have a unique prefix/suffix to easily identify the users with multiple operator numbers? (7a) Verify by examination.</p>				

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b) At least quarterly, do personnel independent of the system functions under review perform verification procedures, by using the personnel access listing, to ensure that each employee's assigned system functions are being used as authorized, the assigned functions provide an adequate segregation of duties, and to determine whether terminated employees do not have access to system functions? (7b)				
c) Are generic identifications (user names) prohibited unless user access is restricted to inquiry only functions? (7c)				
d) Are passwords changed at least quarterly with the changes being documented? (7d) Verify by examination. Note: Documentation is not required if the system prompts users to change passwords and then denies access if the change is not completed. (7d)				
e) Is the system updated to change the status of terminated employees from active to inactive status within 72 hours of termination? (7e) Note: It is recommended that inactive user identifications for IT Department employees are deleted from the system immediately upon termination. (7e)				
9. Is system exception information (e.g., changes to system parameters, corrections, overrides, voids, etc.) maintained? (8) Verify by examination.				
10. Are personnel access listings maintained which include, at a minimum, the employee name and title or position, employee identification, and listing of functions the employee can perform or equivalent means of identifying same? (9a-c) Verify by examination. Note: This listing may be archived daily in lieu of printing. (9)				
<u>Information Technology Department</u> Note: If a separate IT department is maintained or if there are in-house developed systems, MICS #10 through #13 are applicable,				
11. Is the IT department independent of the gaming operations (e.g., cage, pit, count rooms, etc.) and operations that are subject to entertainment tax? (10) Verify by observation.				

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Questions	Yes	No	N/A	Comments, W/P Reference
12. Are IT department personnel precluded from unauthorized access to computers and terminals located in gaming areas, source documents (e.g., slot jackpot forms, table games fill/credit forms, wagering instruments), and live data files (not test data)? (11a-c)				
13. Are new programs and program changes for in-house developed systems documented as follows: Verify by examination.				
a) Are requests for new programs or program changes reviewed by IT supervisory personnel and are approvals to begin work on the program documented? (12a)				
b) Is a written plan of implementation for new and modified programs maintained which includes, at a minimum, the date the program is to be placed into service, the nature of the change (if applicable), a description of the procedures required to bring the new or modified program into service (conversion or input of data, installation procedures, etc.), and an indication of who is to perform all such procedures? (12b)				
c) Is testing of new and modified programs performed and documented prior to implementation? (12c)				
d) Is a record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes documented and maintained? (12d)				
e) Is a copy of the associated equipment reporting form submitted to the Board pursuant to Regulation 14 and a record that such software was approved for use maintained for the new program or program change? (12e) Note: If only verbal approval is given, the notation of such approval is acceptable. (12e)				
14. Are computer security logs, if capable of being generated by the system, reviewed by IT supervisory personnel for evidence of: Verify by examination.				
a) Multiple attempts to log on? Alternatively, will the system deny user access after three attempts to log-on? (13a)				
b) Changes to live data files? (13b)				

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c) Any other unusual transactions? (13c) Note: Standards 13(a) – 13(c) do not apply to personal computers. (13)				
<u>Purchased Software Programs</u>				
15. Are new programs and program changes for purchased systems documented as follows: Verify by examination.				
a) Is documentation maintained that includes, at a minimum, the date the program was placed into service, the nature of the change (if applicable), a description of procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.), and an indication of who performed all such procedures? (14a)				
b) Is a copy of the associated equipment reporting form submitted to the Board pursuant to Regulation 14 and a record that such software was approved for use maintained for the new program or program change? (14b) Note: If only verbal approval is given, the notation of such approval is acceptable. (14b)				
16. Is testing of new and modified programs performed (by the licensee or the system manufacturer) and documented prior to full implementation? (14c)				
<u>Remote Access to Hardware and Software</u>				
17. For each computerized gaming or entertainment application that can be accessed remotely, does the written system of internal control specifically address the following remote access procedures, at a minimum: Verify by examination.				
a) Type of gaming application, vendor's name and business address and version number, if applicable? (15a)				
b) For cashless wagering systems only, the approved secured connection used so that the system can only be accessed from the vendor's place of business? (15b) Perform a physical inspection of the equipment to determine that the system can only be remotely accessed from the vendor's place of business. Indicate the type of secured connection being used.				

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Questions	Yes	No	N/A	Comments, W/P Reference
c) The procedures used in establishing and using passwords to allow authorized vendor personnel to access the system through remote access? (15c)				
d) The personnel involved and procedures performed to enable the physical connection to the system when the vendor requires access to the system through remote access? (15d) Indicate the personnel involved and procedures performed to enable the physical connection to the system for remote access.				
e) The personnel involved and procedures performed to ensure the physical connection is disabled when the remote access is not in use? (15e) Perform a physical inspection of the equipment to determine that the remote access is disabled when not in use.				
f) Any additional requirements relating to remote access published by the Board? (15f)				
18. When the remote access is used, is a record prepared that includes the name or identifier of the end user's employee authorizing access, the name or identifier of the manufacturer's employee accessing the system, a description of the work performed, the date, time and duration of the access? (16) Verify by examination. Note: The description of the work performed must be adequately detailed to include the old and new version numbers of any software that was modified, and details regarding any other changes made to the system. (16)				
<u>Computer Media Document Storage</u>				
19. If documents are scanned or directly stored to unalterable media, are the following conditions complied with:				
a) Does the storage media contain an exact duplicate of the original document? (17a)				
b) Are all documents stored maintained with a detailed index containing the casino department and date in accordance with Regulation 6.040(1) and can the index be made available to the Board upon request? (17b)				

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c) Upon request by Board agents, can hardware (terminal, printer, etc.) be provided in order to perform auditing procedures? (17c)				
d) Do controls exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for auditing purposes? (17d)				
e) At least quarterly, do accounting/audit personnel review a sample of the documents on the storage media to ensure the clarity and completeness of the stored documents? (17e)				
20. If source documents and summary reports are stored on re-writeable storage media, is the media not relied on for the performance of any audit procedures and are the original documents and summary reports retained? (18)				
<u>Creation of Wagering Instruments Database</u> Note: MICS #19 - #22 apply when creating a database of wagering instruments that will be accepted by a cashless wagering system.				
21. Does an individual independent of the gaming area perform the database creation and, if applicable, the creation of wagering instruments to be accepted in the cashless wagering system? (19)				
22. Is a record maintained detailing the database creation and the wagering instruments to be accepted by the cashless wagering system, including evidence of user acceptance, date in service, and personnel involved? (20) Verify by examination.				
23. Is the wagering instrument database reviewed and tested monthly by personnel of the applicable gaming area and accounting/audit personnel for any improprieties? (21)				
24. Are the procedures and subsequent results relating to the wagering instruments database review and test documented and maintained? (22) Verify by examination.				

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<u>Written System of Internal Control</u>				
25. Has the licensee's written system of internal control for information technology regarding the gaming department being reviewed been re-read prior to responding to the following question?				
26. Does the written system of internal control for information technology regarding the gaming department being reviewed reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				

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